

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUALA 07592 250918Z
ACTION EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 TRSY-02 L-03 FRB-03
OMB-01 ITC-01 SP-02 ICA-11 AGRE-00 AID-05 CIAE-00
COME-00 INR-10 LAB-04 NSAE-00 OIC-02 SIL-01
OPIC-03 STR-07 CEA-01 SS-15 /103 W
-----045481 252046Z /46

R 250732Z JUL 78
FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC 6684
INFO USMISSION GENEVA

LIMITED OFFICIAL USE KUALA LUMPUR 7592

E.O.11652: N/A
TAGS: UNCTAD, EPAP, MY
SUBJECT: CALL FOR GOM TO LOWER TAXES ON NATURAL RUBBER PRODUCTION

1. THE CHAIRMAN OF ONE OF MALAYSIA'S OLDEST AND LARGEST ESTATE AGRICULTURAL CORPORATIONS, TUN TAN SIEW SING, HAS MADE A PUBLIC CALL TO THE GOM TO EASE UP ON ITS TAXATION OF NATURAL RUBBER PRODUCTION. TUN TAN, A FORMER GOM MINISTER OF FINANCE AND STILL A SENIOR ECONOMIC ADVISOR TO THE PRIME MINISTER AS WELL AS CHAIRMAN OF SIME-DARBY, ADE HIS CALL AT A SEMINAR OF THE INSTITUTE OF SURVEYORS AND THE VALUATION DIVISION OF THE MINISTRY OF FINANCE ON JULY 22. TUN TAN POINTED OUT THAT TAXATION HAD ALREADY BECOME SO BURDENSOME THAT MOST ESTATE FIRMS WERE SWITCHING FROM RUBBER TO OIL PALM AND ALMOST NONE WERE KEEPING MORE THAN 30 PERCENT OF THEIR ACREAGE IN RUBBER.

2. ACCORDING TO TUN TAN, UNTIL 1973 THE RUBBER INDUSTRY WAS ABLE TO STAY AHEAD OF RISING PRODUCTION COSTS THROUGH GAINS IN YIELDS, BUT, AFTER THAT, PRODUCTION INPUTS, INCLUDING LABOR, HAVE RISEN MUCH MORE RAPIDLY THAN YIELDS OR PRICES RECEIVED FOR THE FINISHED PRODUCT. AT THE SAME
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUALA 07592 250918Z

TIME, ACCORDING TO TUN TAN, THERE HAVE BEEN INCREASES IN THE LEVELS OF DUTY AND TAX IMPOSED ON NATURAL RUBBER PRODUCTION. THESE WILL ACT AS DISINCENTIVES TO RUBBER CULTIVATION AND TUN TAN CALLED ON THE GOM TO REVISE THIS SITUATION AND PROVIDE MORE FINANCIAL INCENTIVES FOR RUBBER CULTIVATION IN ORDER TO AVOID A SHORTAGE IN THE FUTURE.

3. COMMENT: TUN TAN IS A HIGHLY RESPECTED FIGURE IN MALAYSIA
AND THE GOVERNMENT WILL FIND IT DIFFICULT TO IGNORE HIS
COMMENTS ON THE TAXATION OF NATURAL RUBBER PRODUCTION.
MILLER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RUBBER, PRODUCTION, TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 25 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUALA07592
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780305-0473
Format: TEL
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780724/aaaaatxe.tel
Line Count: 66
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ecc0676d-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1897809
Secure: OPEN
Status: NATIVE
Subject: CALL FOR GOM TO LOWER TAXES ON NATURAL RUBBER PRODUCTION
TAGS: EPAP, EFIN, MY, UNCTAD
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/ecc0676d-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014